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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**STIPULATION BETWEEN THE  
REORGANIZED DEBTORS AND  
CALPINE REGARDING THE  
REORGANIZED DEBTORS' SIXTH  
EXTENSION MOTION AND THE  
MCCABE AND SAWMILL FIRE CLAIMS**

**Re: Docket No. 13745**

1 This stipulation and agreement for order (this “Stipulation”) is entered into by Calpine  
2 Corporation and its subsidiaries (collectively, “Calpine”), on the one hand, and PG&E Corporation  
3 (“HoldCo”) and Pacific Gas and Electric Company (“Utility”), as debtors and reorganized debtors  
4 (HoldCo and Utility, collectively, the “Debtors,” and after the Effective Date of their Plan,<sup>1</sup>  
5 the “Reorganized Debtors”), on the other hand. Calpine and the Reorganized Debtors are referred  
6 to in this Stipulation collectively as the “Parties,” and each as a “Party.” The Parties hereby stipulate  
7 and agree as follows:

### 8 **RECITALS**

9 A. In November 2013, one or more wildfires broke out in Sonoma County (collectively,  
10 for purposes of this Stipulation only, the “McCabe Fire”), which burned thousands of acres and  
11 destroyed, among other property, a cooling tower at Calpine subsidiary Geysers Power  
12 Company, LLC’s (“Geysers”) power plant.

13 B. In September 2016, another wildfire broke out in Sonoma County  
14 (the “Sawmill Fire”), which burned approximately 1,500 acres of land, including portions of  
15 Geysers’ geothermal field, equipment, and infrastructure.

16 C. Geysers alleges that Utility is responsible for the McCabe and Sawmill Fires. The  
17 Debtors deny liability for these fires.

18 D. In November 2018, the Debtors and Calpine engaged in a mediation regarding the  
19 McCabe Fire. This mediation did not result in resolution of Calpine’s claims.

20 E. Therefore, on December 31, 2018, Calpine filed a lawsuit in Sonoma County against  
21 the Debtors for damages allegedly incurred as a result of the McCabe Fire titled *Geysers Power Co.*  
22 *v. PG&E Corp.*, No. SCV-263728 (Cal. Sup. Ct. Dec. 31, 2018).

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25 <sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such  
26 terms in the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization*  
27 *Dated June 19, 2020* [Docket No. 8048] (as amended, modified, or supplemented and together  
28 with any exhibits or schedules thereto, the “Plan”) or the Sixth Extension Motion (as defined  
herein), as applicable.

1 F. On January 29, 2019 (the “Petition Date”), the Debtors commenced voluntary cases  
2 for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the  
3 United States Bankruptcy Court for the Northern District of California (the “Court”).

4 G. On July 1, 2019, the Court entered an order [Docket No. 2806] (the “Bar Date  
5 Order”), setting October 21, 2019, at 5:00 p.m. (prevailing Pacific Time) as the last date and time for  
6 filing proofs of claim against the Debtors.

7 H. Prior to the deadline set forth in the Bar Date Order, Calpine filed certain proofs of  
8 claim against the Debtors related to the McCabe and Sawmill Fires (Claim Nos. 63478, 66457,  
9 68749, 78792, 79229, 79254, 79291, 79886, and 82574, collectively, the “McCabe and Sawmill  
10 Fire Claims”).

11 I. On June 20, 2020, the Court entered an order [Docket No. 8053] confirming the Plan.  
12 The Plan became effective on July 1, 2020 [Docket No. 8252].

13 J. Pursuant to section 7.2 of the Plan, the Reorganized Debtors are authorized to, among  
14 other things, compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims  
15 (as defined in the Plan) and to compromise, settle, or otherwise resolve any Disputed Claims without  
16 approval of the Court.

17 K. On December 14, 2020, Geysers and the Reorganized Debtors entered into an  
18 agreement (the “Cure Settlement”), which (i) resolved cure disputes related to the Reorganized  
19 Debtors’ assumption of certain Calpine contracts under the Plan and (ii) requires Geysers and the  
20 Reorganized Debtors to use commercially reasonable efforts to consensually resolve the McCabe  
21 and Sawmill Fire Claims.<sup>2</sup>

22 L. Calpine has provided to the Reorganized Debtors damages information regarding the  
23 Sawmill Fire. However, the Parties have not yet participated in a mediation, or engaged in settlement  
24 discussions, regarding the Sawmill Fire.

25  
26  
27 <sup>2</sup> Pursuant to the Cure Settlement, the McCabe and Sawmill Fire Claims are not governed by the  
28 general mediation procedures adopted by the Court on September 25, 2020 [Docket No. 9148].

1 M. Pursuant to section 7.1 of the Plan, the Reorganized Debtors' original deadline to  
2 object to claims was December 28, 2020. Following five extensions, the current deadline for the  
3 Reorganized Debtors to object to claims is June 20, 2023 [Docket No. 13363].

4 N. On May 17, 2023, the Reorganized Debtors filed the *Motion for Entry of an Order*  
5 *Further Extending Deadline for the Reorganized Debtors to Object to Claims and for Related Relief*  
6 [Docket No. 13745] (the "Sixth Extension Motion"), which seeks to further extend their deadline to  
7 object to claims to December 18, 2023. The Sixth Extension Motion is set for a hearing before the  
8 Court at 10:00 a.m. (prevailing Pacific Time) on June 7, 2023.

9 O. On May 31, 2023, the Reorganized Debtors filed the *Stipulation Between the*  
10 *Reorganized Debtors and Calpine Extending Time to Respond to the Motion for Entry of an Order*  
11 *Further Extending Deadline for the Reorganized Debtors to Object to Claims and for Related Relief*  
12 [Docket No. 13789], whereby the Reorganized Debtors and Calpine agreed to extend Calpine's  
13 deadline to file any response or opposition to the Sixth Extension Motion to 4:00 p.m. (prevailing  
14 Pacific Time) on June 1, 2023.

15 P. As of the date hereof, the Reorganized Debtors have not objected to, or otherwise  
16 resolved, the McCabe and Sawmill Fire Claims.

17 Q. The Parties wish to document the resolution of Calpine's objection to the Sixth  
18 Extension Motion and establish a schedule for the settlement of the McCabe and Sawmill Fire  
19 Claims, and a deadline for the Reorganized Debtors to object to the McCabe and Sawmill Fire Claims  
20 if a consensual resolution is not reached.

21 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**  
22 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**  
23 **STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE**  
24 **UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE COURT TO ORDER,**  
25 **THAT:**

26 1. Calpine shall not object to the Sixth Extension Motion, *provided that* the Parties  
27 comply with the terms of this Stipulation.  
28

2. The Reorganized Debtors shall provide a good faith settlement offer regarding the McCabe and Sawmill Fire Claims to Calpine by no later than 4:00 p.m. (prevailing Pacific Time) on June 16, 2023.

3. The Parties shall re-engage in good faith settlement discussions through July 31, 2023, unless the McCabe and Sawmill Fire Claims are settled earlier.

4. Absent further agreement of the Parties to continue settlement discussions, if no settlement is reached on or before July 31, 2023, then the Reorganized Debtors shall file objections to the McCabe and Sawmill Fire Claims no later than August 30, 2023, or such later date as the Parties shall agree.

5. This Stipulation shall be binding on the Parties and each of their successors in interest.

6. This Stipulation shall constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

7. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

8. The Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation or any order approving the terms of this Stipulation.

Dated: June 1, 2023

WEIL, GOTSHAL & MANGES LLP  
KELLER & BENVENUTTI LLP

CARLSON, CALLADINE &  
PETERSON, LLP

/s/ Jane Kim

Jane Kim

/s/ Colin C. Munro

Colin C. Munro

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